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Item 6 of the provisional agenda

FINANCING UNIDO PROGRAMMES, INCLUDING NEW INITIATIVES FOR FUNDS MOBILIZATION

Report by the Director-General

Updates information provided in recent documentation on the level of the Industrial Development Fund, individual contributions to technical cooperation activities, progress in the implementation of integrated programmes, and developments with respect to UNIDO and the Global Environment Facility.

Introduction

1. The present document addresses the following mandates:

- Decision IDB.22/Dec.2 on financing the integrated technical cooperation programmes in developing countries, which requested the Director-General to report to the twenty-fourth session on the level of the Industrial Development Fund (IDF) and on individual contributions to technical cooperation activities. Supplements information provided in the Annual Report 2000 (IDB.24/2, chap. V.E and appendix B, and IDB.24/2/Add.1);
- Decision IDB.23/Dec.7 on integrated programmes, in which the Board called for a report on progress in the implementation of integrated programmes and on the overall situation of funds mobilization. Updates relevant information provided in various parts of the *Annual Report 2000* (IDB.24/2);
- Resolution GC.8/Res.2 on the Global Environment Facility (GEF). Highlights selected recent developments with respect to GEF in UNIDO's operational programme that are covered in greater detail in document IDB.23/12.

2. Reference should be made to *the Annual Report 2001* for detailed information on funds mobilized and the overall situation in respect of the Industrial Development Fund (IDB.24/2, chap. V.E and appendix B) and to the addendum containing a list of technical cooperation activities approved or under implementation in 2001 (IDB.24/2/Add.1).

I. INTEGRATED PROGRAMMES

3. Since its initial elaboration and inception, as described in detail in the *Annual Report 1998* (IDB.21/10, part one), the integrated programme approach has been monitored and adjusted in response to developments over time. As of 30 April 2001, 43 programmes had been developed with a total volume of some $256 million (including support costs). Funds available for these programmes amounted to $65.8 million. A detailed overview is shown in annex I to the present document. In addition, some $4 million of earmarked donor funds are being programmed, and future payments under signed agreements amount to $6 million. Total funds available to integrated programmes therefore amount to $76 million. As has been the practice at recent sessions, updated information on the progress of the individual programmes will be distributed during the session.

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4. Annual funds mobilized for the integrated programmes increased from $23.7 million in 1999 to $32.4 million in 2000. The chart in annex II shows the composition of funds mobilized per year. It is anticipated that by the end of 2001 total funds available to the integrated programmes will approach $100 million.

II. GLOBAL ENVIRONMENT FACILITY

5. Documents issued to recent sessions of the Board reflected important developments and growing potential with respect to the Global Environment Facility (GEF) in UNIDO's operational programme (IDB.22/4, IDB.23/11). That information is updated in chapter I of document IDB.24/12 on environment-related activities. In addition to providing concrete examples of approved or pipeline projects for GEF funding, the documents illustrate the range and intensity of activities undertaken for the successful cultivation of an organizational strategy to address the mandates contained in General Conference resolution GC.8/Res.2 on GEF and technical cooperation activities. This comprehensive approach represents a special new initiative for funds mobilization in UNIDO. While details are provided in the earlier documents, the following list highlights selected examples from the most recent update (IDB.23/12):

November/December 2000

- UNIDO representation at GEF Council meeting;
- Decision to authorize executing agencies with expanded opportunities to access GEF funds for full-scale projects (in addition to preparatory phases as hitherto);
- GEF mission to Vienna to review terms of cooperation agreement;
- Approval of second phase of project on energy conservation and greenhouse gas emissions reduction in Chinese township-village enterprises ($7.4 million net budget).

January-March 2001

- UNIDO becomes member of GEF Inter-Agency Task Force on POPs;
- UNIDO participation invited in drafting GEF Council document on POPs;
- GEF requests UNIDO to take lead in preparing GEF POPs by-products strategy;
- GEF to consider funding up to 12 UNIDO projects per year (subject to availability of UNIDO supplementary resources);
- Six UNIDO project concepts informally submitted;
- GEF mission to UNIDO to finalize draft financial procedures agreement;
- UNIDO participation in GEF-UNEP information-sharing and data exchange workshop;
- Second phase of development and promotion project for strategy for GEF-fundable activities;
- Submission of project proposal for development of national strategy and implementation plan for POPs in China.

III. ACTION REQUIRED OF THE BOARD

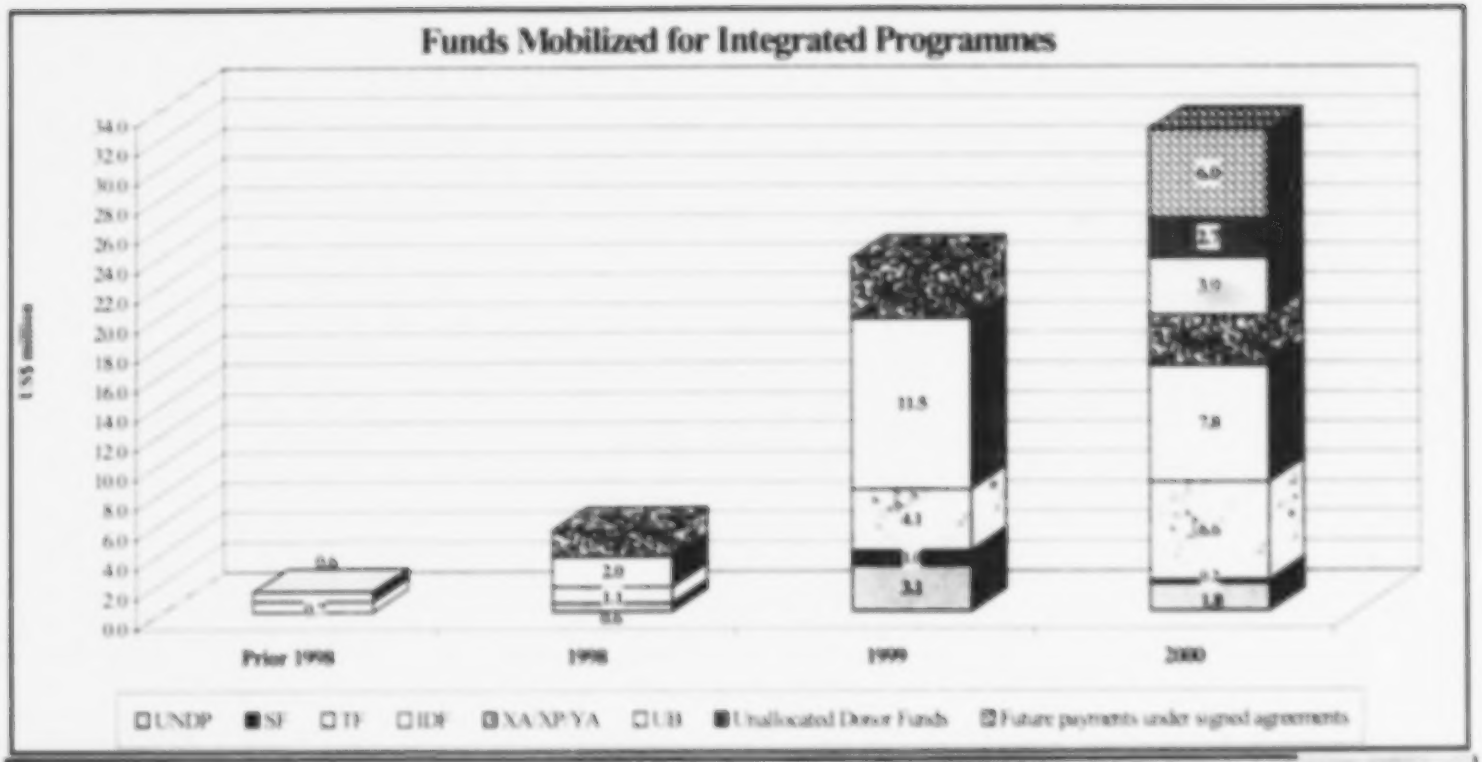
6. The Board may wish to take note of the information provided in the present document.

Annex I

Status of integrated programme—30 April 2001
(in US$ including support costs)

Region	Programme for	Current planning figures (including 13% support costs)	Total funds available	Open for funding
AFRICA	Burkina Faso	4 419 667	2 578 411	1 841 256
	Côte d'Ivoire	5 359 364	960 179	4 399 185
	Eritrea	7 594 730	1 723 282	5 871 448
	Ethiopia	10 506 503	7 153 046	3 353 457
	Ghana	5 669 945	3 535 804	2 134 141
	Guinea	3 359 603	1 662 947	1 696 656
	Madagascar	4 520 000	0	4 520 000
	Mali	5 871 655	543 620	5 328 035
	Mozambique	9 936 655	3 974 603	5 962 052
	Nigeria	14 325 010	1 138 560	13 186 450
	Rwanda	5 571 917	1 914 467	3 657 450
	Senegal	8 834 340	2 338 343	6 495 997
	United Republic of Tanzania	7 760 681	3 932 811	3 827 870
	Uganda	7 291 325	4 790 182	2 501 143
Subtotal		**101,021,395**	**38,246,255**	**64,775,140**
ASIA AND PACIFIC	Iran, Islamic Republic of	8 292 505	71 278	8 221 227
	Lao PDR	1 056 550	53 250	1 003 300
	Nepal	2 328 930	289 000	2 039 930
	Pakistan	6 816 386	207 950	6 608 436
	Sri Lanka	14 565 361	4 000 694	10 564 667
	Thailand	3 794 879	594 691	3 200 188
Subtotal		**36,854,611**	**5,216,863**	**31,637,748**
ARAB	Algeria	11 442 000	2 424 733	9 017 267
	Egypt	18 034 116	3 200 435	14 833 681
	Jordan	3 312 878	1 093 550	2 219 328
	Lebanon	6 735 365	719 201	6 016 164
	Morocco	9 723 650	3 595 400	6 128 250
	Palestine	3 877 334	1 486 189	2 391 145
	Saudi Arabia	1 504 595	0	1 504 595
	Sudan	3 807 535	699 496	3 108 039
	Tunisia	7 558 510	2 899 867	4 658 643
	Yemen	1 820 543	258 671	1 561 872
Subtotal		**67,816,526**	**16,377,542**	**51,439,984**
EUROPE	Armenia	1 932 413	260 417	1 671 996
	Russian Federation (Bashkortostan)	994 475	230 828	763 647
	Russian Federation (federal level)	2 324 609	555 155	1 769 454
	Russian Federation (Komi)	1 134 075	378 623	755 452
	Russian Federation (Moscow)	1 402 462	207 632	1 194 830
	Russian Federation (St. Petersburg)	2 357 052	181 153	2 175 899
	Tajikistan	2 411 380	0	2 411 380
	Uzbekistan	2 958 340	348 500	2 609 840
Subtotal		**15,514,806**	**2,162,308**	**13,352,498**
LATIN AMERICA AND CARIBBEAN	Bolivia	4 503 276	470 409	4 032 867
	Brazil	6 300 680	26 000	6 274 680
	Colombia	1 754 890	487 478	1 267 412
	Cuba	6 114 430	1 088 032	5 026 398
	Guatemala	10 354 981	3 401 941	6 953 040
	Honduras	5 541 294	284 050	5 257 244
Subtotal		**34,569,551**	**5,757,910**	**28,811,641**
Grand Total		**255,776,889**	**65,760,878**	**190,016,011**

Annex II



Source of funds	Prior 1998	US$ excluding project support costs 1998	1999	2000	TOTAL
UNDP		571,500	3,061,550	1,826,703	**5,459,753**
Self-financed Trust Fund			986,219	247,034	**1,233,253**
Third-party financed Trust Fund	730,006	1,099,257	4,124,931	6,580,323	**12,534,517**
Industrial Development Fund	640,300	2,026,357	11,451,415	7,807,672	**21,925,744**
Regular Budget (XA/XP/YA)		1,700,552	4,075,267	3,366,114	**9,141,933**
UB Unutilized balance				3,876,503	**3,876,503**
Increase in unallocated donor funds for integrated programmes				2,726,305	**2,726,305**
Future payments under signed agreements				6,011,316	**6,011,316**
Total	**1,370,306**	**5,397,666**	**23,699,382**	**32,441,970**	**62,909,324**